

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONERBEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

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In the Matter of)	No. D 99 - 21
)	
Michael McDonald,)	STIPULATION AND
<i>Licensee.</i>)	ORDER LEVYING A FINE

STIPULATION BY AGENT

Michael McDonald (Alicensee@) hereby stipulates to the payment of a fine in the total amount of \$500 based on the following facts which are hereby acknowledged. Licensee further stipulates and agrees that he will comply with Washington insurance laws and regulations from now on.

Licensee replaced or attempted to replace several policies without properly complete the replacement form required by WAC 284-23-440. The violations include at least the cases of Yvonne Schreiner (two cases), Karen Brown (two cases), B. Powell (two cases), D. England (two cases), and D. Corn.

1. Licensee did not provide an adequate explanation of the surrender charges when answering questions 2, 3, and 7e.
2. Licensee failed to answer question 5 (b) adequately by explaining that the 7.5% interest rate either is guaranteed only for the first year or (in the case of Great American Life) is not guaranteed at all.
3. Licensee falsely answered question 8 "no", when in fact there was a significant adverse effect in the guaranteed interest rate on the new policies. It was less than the rate on the existing policies.

The licensee has engaged in practices that are not in accord with the standards set out in the insurance code of Washington. Accordingly, the licensee enters this Stipulation to the following Order voluntarily and with the understanding that such fine is in lieu of any suspension or revocation of the licensee's license for such conduct.

The facts described above, and the fact of this stipulation, may be considered by the Commissioner in any future administrative actions regarding licensee.

Signed this 3rd day of March, 1999.

Michael McDonald

ORDER

Pursuant to RCW 48.17.560 and the foregoing Stipulation, the Commissioner hereby imposes a fine in the amount of \$500 upon Michael McDonald.

The fine shall be paid in full within 30 days from the date of this Order. Upon failure to pay the fine, the Commissioner will revoke the license of the licensee and the fine will be recoverable in a civil action brought on behalf of the Commissioner by the Attorney General.

ENTERED AT LACEY, WASHINGTON, this 9th day of March, 1999.

DEBORAH SENN

Insurance Commissioner

By

WILLIAM E. FRANDSEN

Deputy Commissioner